

Exhibit A

NORTHRIDGE HOME MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this “Memo”) is entered into this 31st day of August, 2017 by and between Northridge Home. (“The Company” or “Northridge Home”), and XYZ Furniture Company Limited (“The Factory”).

1. Factory agrees to manufacture and sell to The Company the products developed and designed by Northridge Home subject to the terms of this Memo (“Products”) from August 31st, 2017 to August 31, 2020 (“Period”).
2. During the Period of this Memo, The Company agrees to purchase the Products subject to the terms of this Memo via submitting purchase order to the Factory from time to time.
3. Responsibilities of the Company

The Company shall be responsible for the following:

- a. Conceptual product work, market surveys (product and competition)
- b. Product Design and Development
- c. Sales and Marketing including showrooms, representatives, all marketing materials
- d. Customer Service including bilingual call center coverage and replacement parts servicing
- e. Returns/defective allowances, providing returns do not exceed 3%. If returns do exceed 3%, The Company and The Factory agree to work together in good faith to split the overage 50/50 and to implement a mutually agreeable solution to satisfy the overage. Both The Company and The Factory agree that raising the price to cover excess returns could result in cancellation of the business and both agree to hold the other harmless should this happen.
- f. Markdowns, floor sample allowances, co-op money, rebate money or other funding of special promotions and/or programming
- g. General and logistical administration and support for customers
- h. All required testing fees
- i. All operational and travel expenses related to deliver the services listed herein
- j. Sample freight provided samples are produced on time
- k. Required inventory to support internet/warehouse business
- l. Required graphics and photography
- m. Providing professional photography for Products
- n. Invoicing and collection of payments from customers
- o. PLI for all products sold by Northridge Home
- p. Collect, organize, maintain and administer specific product specifications as well as customer program specifications

4. Responsibility of the Factory

The Factory shall be responsible for the following:

- a. Procurement of materials as needed to satisfy The Company's purchase orders at a mutually agreed price and delivery terms
- b. Sample building as needed to support Northridge Home's marketing efforts, including all sample related costs other than freight
- c. Preparing for and passing all required customer audits (such as social audits, factory assessments, etc.) including the cost of consultants needed for these programs
- d. The Factory and The Company. agree to work together in good faith to split any return overage above 3%, 50/50 and to implement a mutually agreeable solution to satisfy the overage. Both The Company and The Factory agree that raising the price to cover excess returns could result in cancellation of the business and both agree to hold the other harmless should this happen.
- e. Samples required to conduct third party testing, pilot runs, preproduction and first piece production inspections.
- f. Production of product designed, developed and sold by The Company according to The Company's specific product specifications and production/testing/inspection procedures.
- g. Catastrophic claims such as recalls or major product problems (exceeding the normal return percentage) shall be paid by The Factory A; Examples of catastrophic claims include but are not limited to (Product arriving to customer with mold, missing or poor finish application and, or quality, safety issues (government specified or as deemed by the customer), poor assembly or workmanship, crushed or damaged boxes, Product performance failures)
- h. Factory agrees to provide replacement parts (whole finished parts and spare parts) to Northridge Home, Inc. for customer service related efforts. The cost of these replacement parts (combined) shall not exceed 2% of the total value of the order. If it is above 2%, The Company agrees to pay for the excessive replacement parts.
- i. Factory will warranty the Products for a period of one year.

5. Purchase Orders

The Company shall issue to The Factory its purchase order for the Products to be delivered during the period of this Memo, subject to acceptance by the Factory. Upon the acceptance of the Purchase Order by the Factory, the Products shall be deemed purchased and the order shall be binding upon the Factory.

6. Price and Payment

The Company and The Factory agree to payment terms of TT+ 30 days after receipt of official shipment documents. These terms may be amended (if needed) by mutual agreement via Memo, signed by both parties.

7. Northridge Home Product Specifications and Procedures

The Company shall have the right to set detailed product specifications (inclusive of packaging) and procedures to the Factory from time to time.

Unless specifically outlined in this Memo or agreed to in writing from the Company, The Factory shall review and comply with these product specifications and procedures. By signing below, The Factory hereby acknowledges the receipt of the Northridge Home Procedures and Specifications and agrees to comply with the detailed provisions as outlined.

Products manufactured by The Factory shall not be shipped until The Company has received confirmation that the Product has successfully passed all applicable tests, inspections or other specified procedure (including factory audits). These confirmations may come from The Company, third party labs and, or customer inspections. This also includes successfully passing any applicable U.S. Government rules, regulations or tests applicable to the Product supplied by Factory.

8. Quality Control

The Company understands that from time to time quality problems may arise. The Company. shall have the right to regularly conduct quality control inspections of outbound shipments.

If defective Products are found, Northridge Home will notify Factory management within a reasonable time.

Northridge Home shall have the right to reject the shipment if, at its sole discretion, Northridge Home deems the Product to be not complying. If the shipment does not meet specification and is rejected, Northridge Home shall work diligently and in good faith with The Factory to remedy the problem. (Examples of a major defect would be moldy Product.)

9. Intellectual Property Rights

Except as may be expressly set forth in the Memo, no assignment, transfer or license of any intellectual property rights of either party shall arise, whether by implication or otherwise, under this Memo. The Factory acknowledges and agrees that the Company and its licensors are and shall remain the owner of all right, title and interest in and to the Products and all related documents.

The Factory shall not use the foreground Intellectual Property Rights and the Company's technical specifications, special function requirements and background Intellectual Property Rights for any purpose other than manufacture and supply of the Products to the Company, nor shall the Factory authorize or knowingly permit them to be used by

anyone else for or in connection with any purpose other than the manufacture and supply of the Products to the Company.

Without the Company's written authorization, the Factory shall not use the Products, or have them used, manufactured or marketed directly or as components in any other products.

Northridge Home, Inc.
Greensboro, NC

Date: _____

Printed Name & Title

XYZ Furniture
Bihn Duong, Vietnam

Date: _____

Printed Name & Title